

Senate Engrossed

State of Arizona
Senate
Forty-fifth Legislature
Second Regular Session
2002

CHAPTER 93

SENATE BILL 1015

AN ACT

AMENDING SECTIONS 20-408 AND 20-411.01, ARIZONA REVISED STATUTES; RELATING
TO SURPLUS LINES BROKERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-408, Arizona Revised Statutes, is amended to
3 read:

4 20-408. Report of broker; civil penalty

5 A. Within sixty days after procuring any surplus lines insurance, the
6 broker shall execute and file with the director a verified report setting
7 forth facts from which it may be determined whether the requirements of
8 section 20-407 have been met. The report shall also contain OR BE
9 ACCOMPANIED BY the following:

10 1. The name ~~and address~~ of the insurer AND THE IDENTIFICATION NUMBER
11 ASSIGNED TO IT BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS.

12 2. The number of the policy issued.

13 3. The name and address of the insured.

14 4. The premium, including taxable policy fees.

15 5. The identity of the specific recognized surplus lines coverage
16 ~~written or a summary that describes the diligent effort made to place the~~
17 ~~coverage with an authorized insurer and that shall not be open to public~~
18 ~~inspection.~~

19 6. IF THE INSURANCE COVERAGE IS NOT A RECOGNIZED SURPLUS LINE PURSUANT
20 TO SECTION 20-409, AN AFFIDAVIT EXECUTED BY THE SURPLUS LINES BROKER
21 ATTESTING TO COMPLIANCE WITH THE REQUIREMENTS OF SECTION 20-407, SUBSECTION
22 A AND CONFIRMING THAT EVIDENCE OF COMPLIANCE WILL BE MAINTAINED IN THE
23 BROKER'S FILE FOR THE DURATION OF THE INSURANCE POLICY AND FOR A PERIOD OF
24 SIX YEARS AFTER THE EXPIRATION OF THE POLICY.

25 ~~6.~~ 7. The policy effective dates that shall not be open to public
26 inspection.

27 B. The director shall prescribe the required report form.

28 C. The director may direct a broker to file the broker's report
29 required by this section with a voluntary domestic organization of surplus
30 lines brokers with which the director has contracted to accept reports
31 pursuant to section 20-167.

32 D. A broker may collect from the insured the stamping fee prescribed
33 in section 20-167.

34 E. The director may impose and collect a civil penalty of not more
35 than twenty-five dollars against a broker for each day the report prescribed
36 in subsection A of this section is late.

37 Sec. 2. Section 20-411.01, Arizona Revised Statutes, is amended to
38 read:

39 20-411.01. Licensing of Mexican insurance surplus lines broker

40 A. Any RESIDENT OR NONRESIDENT licensed insurance producer that
41 maintains an office in this state may be licensed as a Mexican insurance
42 surplus lines broker to transact insurance business as prescribed in section
43 20-422 if the director determines that the insurance producer is competent
44 and trustworthy and the insurance producer complies with all of the

1 requirements of section 20-411 except FOR SECTION 20-411, subsection C. The
2 director shall prescribe and provide application forms.
3 B. Any surplus lines broker licensed pursuant to section 20-411 or
4 20-411.02 may transact the insurance business prescribed in section 20-422
5 without being licensed under this section.

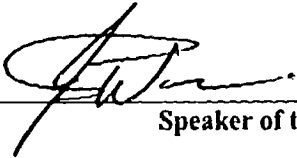
APPROVED BY THE GOVERNOR APRIL 29, 2002.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2002.

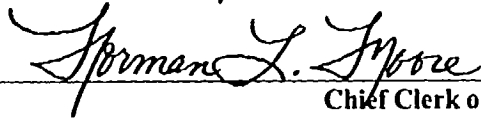
Passed the House April 23, 20 02,

by the following vote: 52 Ayes,

0 Nays, 8 Not Voting



Speaker of the House

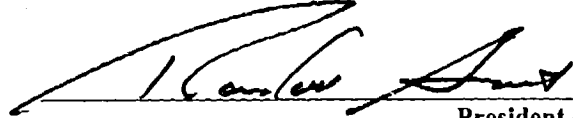


Chief Clerk of the House

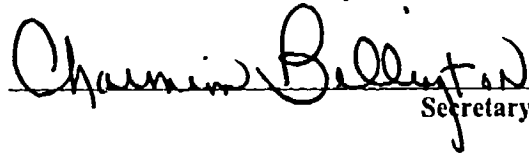
Passed the Senate January 28, 20 02,

by the following vote: 27 Ayes,

0 Nays, 3 Not Voting



President of the Senate



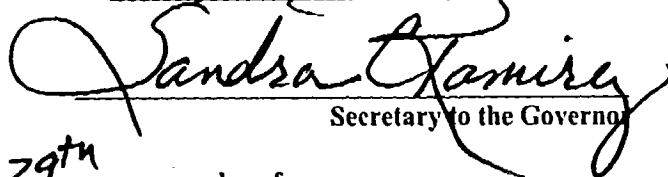
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

24 day of April, 20 02

at 12:14 o'clock P M.

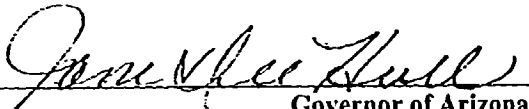


Secretary to the Governor

Approved this 29th day of

April, 20 02,

at 1:05 o'clock P M.



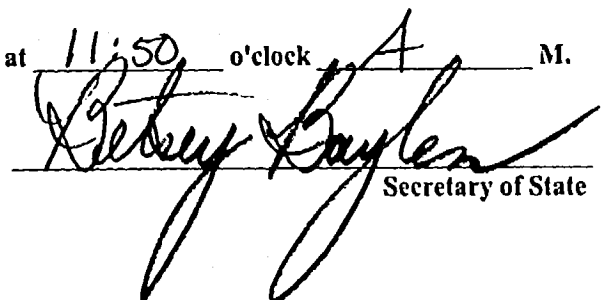
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 30 day of April, 20 02,

at 11:50 o'clock A M.



Secretary of State

S.B. 1015